

[COMMITTEE PRINT]

JULY 16, 1997

**[Showing the Amendment Adopted by the Subcommittee on
Telecommunications, Trade, and Consumer Protection on
July 16, 1997]**

105TH CONGRESS
1ST SESSION

H. R. 1839

To establish nationally uniform requirements regarding the titling and
registration of salvage, nonrepairable, and rebuilt vehicles.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1997

Mr. WHITE (for himself, Mr. TOWNS, Mr. HORN, Mr. NORWOOD, and Ms. DUNN) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on June 10, 1997]

A BILL

To establish nationally uniform requirements regarding the

titling and registration of salvage, nonrepairable, and rebuilt vehicles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “National Salvage Motor*
5 *Vehicle Consumer Protection Act of 1997”.*

6 **SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE RE-**
7 **QUIREMENTS.**

8 *Subtitle VI of title 49, United States Code, is amended*
9 *by inserting a new chapter at the end:*

10 **“CHAPTER 333—AUTOMOBILE SAFETY AND**
11 **TITLE DISCLOSURE REQUIREMENTS**

“Sec.

“33301. Definitions.

“33302. Passenger motor vehicle titling.

“33303. Disclosure and label requirements on transfer of salvage vehicles.

“33304. Report on funding.

“33305. Petitions for extensions of time.

“33306. Effect on State law.

“33307. Civil and criminal penalties.

“33308. Actions by States.

12 **“§ 33301. Definitions**

13 *“For the purposes of this chapter:*

14 *“(1) PASSENGER MOTOR VEHICLE.—The term*
15 *‘passenger motor vehicle’ shall have the same meaning*
16 *given such term by section 32101(10), except, notwith-*
17 *standing section 32101(9), it shall include a multi-*
18 *purpose passenger vehicle (constructed on a truck*
19 *chassis or with special features for occasional off-road*

1 operation), or a truck, other than a truck referred to
2 in section 32101(10)(B), when that vehicle or truck is
3 rated by the manufacturer of such vehicle or truck at
4 not more than 10,000 pounds gross vehicle weight,
5 and except further, it shall only include a vehicle
6 manufactured primarily for use on public streets,
7 roads, and highways.

8 “(2) SALVAGE VEHICLE.—The term ‘salvage ve-
9 hicle’ means any passenger motor vehicle which—

10 “(A) is a late model vehicle which has been
11 wrecked, destroyed, or damaged, to the extent
12 that the total estimated or actual cost of repairs
13 to rebuild or reconstruct the passenger motor ve-
14 hicle to its condition immediately before it was
15 wrecked, destroyed, or damaged, and for legal op-
16 eration on the roads or highways, exceeds 80 per-
17 cent of the retail value of the passenger motor ve-
18 hicle;

19 “(B) is a late model vehicle which has been
20 wrecked, destroyed, or damaged, and to which an
21 insurance company acquires ownership pursuant
22 to a damage settlement (except in the case of a
23 settlement in connection with a recovered stolen
24 vehicle, unless such vehicle sustained damage suf-

1 *ficient to meet the damage threshold prescribed*
2 *by subparagraph (A); or*

3 *“(C) the owner wishes to voluntarily des-*
4 *ignate as a salvage vehicle by obtaining a sal-*
5 *vage title, without regard to the level of damage,*
6 *age, or value of such vehicle or any other factor,*
7 *except that such designation by the owner shall*
8 *not impose on the insurer of the passenger motor*
9 *vehicle or on an insurer processing a claim made*
10 *by or on behalf of the owner of the passenger*
11 *motor vehicle any obligation or liability.*

12 *“(3) SALVAGE TITLE.—The term ‘salvage title’*
13 *means a passenger motor vehicle ownership document*
14 *issued by the State to the owner of a salvage vehicle.*
15 *A salvage title shall be conspicuously labeled with the*
16 *word ‘salvage’ across the front.*

17 *“(4) REBUILT SALVAGE VEHICLE.—The term ‘re-*
18 *built salvage vehicle’ means—*

19 *“(A) any passenger motor vehicle which was*
20 *previously issued a salvage title, has passed*
21 *State anti-theft inspection, has been issued a cer-*
22 *tificate indicating that the passenger motor vehi-*
23 *cle has passed the required anti-theft inspection,*
24 *has passed the State safety inspection in those*
25 *States requiring a safety inspection pursuant to*

1 *section 33302(b)(7), has been issued a certificate*
2 *indicating that the passenger motor vehicle has*
3 *passed the required safety inspection in those*
4 *States requiring such a safety inspection pursu-*
5 *ant to section 33302(b)(7), and has a decal stat-*
6 *ing ‘Rebuilt Salvage Vehicle—Anti-theft and*
7 *Safety Inspections Passed’ affixed to the driver’s*
8 *door jamb; or*

9 *“(B) any passenger motor vehicle which was*
10 *previously issued a salvage title, has passed a*
11 *State anti-theft inspection, has been issued a cer-*
12 *tificate indicating that the passenger motor vehi-*
13 *cle has passed the required anti-theft inspection,*
14 *and has, affixed to the driver’s door jamb, a*
15 *decal stating ‘Rebuilt Salvage Vehicle—Anti-*
16 *theft Inspection Passed/No Safety Inspection*
17 *Pursuant to National Criteria’ in those States*
18 *not requiring a safety inspection pursuant to*
19 *section 33302(b)(7).*

20 *“(5) REBUILT SALVAGE TITLE.—The term ‘re-*
21 *built salvage title’ means the passenger motor vehicle*
22 *ownership document issued by the State to the owner*
23 *of a rebuilt salvage vehicle. A rebuilt salvage title*
24 *shall be conspicuously labeled either with the words*
25 *‘Rebuilt Salvage Vehicle—Anti-theft and Safety In-*

1 *spections Passed’ or ‘Rebuilt Salvage Vehicle—Anti-*
2 *theft Inspection Passed/No Safety Inspection Pursu-*
3 *ant to National Criteria,’ as appropriate, across the*
4 *front.*

5 “(6) *NONREPAIRABLE VEHICLE.*—*The term ‘non-*
6 *repairable vehicle’ means any passenger motor vehicle*
7 *which is incapable of safe operation for use on roads*
8 *or highways and which has no resale value except as*
9 *a source of parts or scrap only or which the owner*
10 *irreversibly designates as a source of parts or scrap.*
11 *Such passenger motor vehicle shall be issued a non-*
12 *repairable vehicle certificate and shall never again be*
13 *titled or registered.*

14 “(7) *NONREPAIRABLE VEHICLE CERTIFICATE.*—
15 *The term ‘nonrepairable vehicle certificate’ means a*
16 *passenger motor vehicle ownership document issued*
17 *by the State to the owner of a nonrepairable vehicle.*
18 *A nonrepairable vehicle certificate shall be conspicu-*
19 *ously labeled with the word ‘Nonrepairable’ across the*
20 *front.*

21 “(8) *SECRETARY.*—*The term ‘Secretary’ means*
22 *the Secretary of Transportation.*

23 “(9) *LATE MODEL VEHICLE.*—*The term ‘Late*
24 *Model Vehicle’ means any passenger motor vehicle*
25 *which—*

1 “(A) has a manufacturer’s model year des-
2 ignation of or later than the year in which the
3 vehicle was wrecked, destroyed, or damaged, or
4 any of the six preceding years; or

5 “(B) has a retail value of more than
6 \$10,000.

7 *The Secretary shall adjust such retail value on an an-*
8 *nual basis in accordance with changes in the*
9 *consumer price index.*

10 “(10) *RETAIL VALUE.*—*The term ‘retail value’*
11 *means the actual cash value, fair market value, or re-*
12 *tail value of a passenger motor vehicle as—*

13 “(A) *set forth in a current edition of any*
14 *nationally recognized compilation (to include*
15 *automated databases) of retail values, as ap-*
16 *proved by the Secretary; or*

17 “(B) *determined pursuant to a market sur-*
18 *vey of comparable vehicles with regard to condi-*
19 *tion and equipment, in a manner approved by*
20 *the Secretary.*

21 “(11) *COST OF REPAIRS.*—*The term ‘cost of re-*
22 *pairs’ means the estimated retail cost of parts needed*
23 *to repair the vehicle or, if the vehicle has been re-*
24 *paired, the actual retail cost of the parts used in the*
25 *repair, and the cost of labor computed by using the*

1 *hourly labor rate and time allocations that are rea-*
2 *sonable and customary in the automobile repair in-*
3 *dustry in the community where the repairs are to be*
4 *performed.*

5 ***“§ 33302. Passenger motor vehicle titling***

6 “(a) *CARRY-FORWARD OF INFORMATION ON A NEWLY*
7 *ISSUED TITLE WHERE THE PREVIOUS TITLE FOR THE VE-*
8 *HICLE WAS NOT ISSUED PURSUANT TO NEW NATIONALLY*
9 *UNIFORM STANDARDS.—For any passenger motor vehicle,*
10 *the ownership of which is transferred on or after the date*
11 *that is 1 year from the date of the enactment of this chapter,*
12 *each State, in licensing such vehicle for use, shall disclose*
13 *in writing on the certificate of title whenever records read-*
14 *ily accessible to the State indicate that the passenger motor*
15 *vehicle was previously issued a title that bore any word or*
16 *symbol signifying that the vehicle was ‘salvage’,*
17 *‘unrebuildable’, ‘parts only’, ‘scrap’, ‘junk’, ‘nonrepairable’,*
18 *‘reconstructed’, ‘rebuilt’, or any other symbol or word of like*
19 *kind, or that it has been damaged by flood.*

20 “(b) *NATIONALLY UNIFORM TITLE STANDARDS AND*
21 *CONTROL METHODS.—Not later than 18 months after the*
22 *date of the enactment of this chapter, the Secretary shall*
23 *by rule require each State, in licensing any passenger motor*
24 *vehicle where ownership of such passenger motor vehicle is*
25 *transferred more than 2 years after publication of such final*

1 *rule, to apply uniform standards, procedures, and methods*
2 *for the issuance and control of titles for motor vehicles and*
3 *for information to be contained on such titles. Such titling*
4 *standards, control procedures, methods, and information*
5 *shall include the following:*

6 “(1) A State shall conspicuously indicate on the
7 face of the title or certificate for a passenger motor ve-
8 hicle, as applicable, if the passenger motor vehicle is
9 a salvage vehicle, a nonrepairable vehicle, or a rebuilt
10 salvage vehicle and whether such vehicle was damaged
11 by flood.

12 “(2) Such information concerning a passenger
13 motor vehicle’s status shall be conveyed on any subse-
14 quent title, including a duplicate or replacement title,
15 for the passenger motor vehicle issued by the original
16 titling State or any other State.

17 “(3) The title documents, the certificates and, de-
18 cals required by section 33301(4), and the issuing sys-
19 tem shall meet security standards minimizing the op-
20 portunities for fraud.

21 “(4) The certificate of title shall include the pas-
22 senger motor vehicle make, model, body type, year,
23 odometer disclosure, and vehicle identification num-
24 ber.

1 “(5) *The title documents shall maintain a uni-*
2 *form layout, to be established in consultation with the*
3 *State or an organization representing them.*

4 “(6) *A passenger motor vehicle designated as*
5 *nonrepairable shall be issued a nonrepairable vehicle*
6 *certificate and shall not be retitled.*

7 “(7) *No rebuilt salvage title shall be issued to a*
8 *salvage vehicle unless, after the salvage vehicle is re-*
9 *paired or rebuilt, it complies with the requirements*
10 *for a rebuilt salvage vehicle pursuant to section*
11 *33301(4). Any State inspection program operating*
12 *under this paragraph shall be subject to continuing*
13 *review by and approval of the Secretary. Any such*
14 *anti-theft inspection program shall include the follow-*
15 *ing:*

16 “(A) *A requirement that the owner of any*
17 *passenger motor vehicle submitting such vehicle*
18 *for an anti-theft inspection provide a completed*
19 *document identifying the vehicle’s damage prior*
20 *to being repaired, a list of replacement parts*
21 *used to repair the vehicle, and proof of owner-*
22 *ship of such replacement parts, as may be evi-*
23 *denced by bills of sale, invoices, or, if such docu-*
24 *ments are not available, other proof of ownership*
25 *for the replacement parts. The owner shall also*

1 include an affirmation that the information in
2 the declaration is complete and accurate and
3 that, to the knowledge of the declarant, no stolen
4 parts were used during the rebuilding; and

5 “(B) A requirement to inspect the passenger
6 motor vehicle or any major part or any major
7 replacement part required to be marked under
8 section 33102 for signs of such mark or vehicle
9 identification number being illegally altered, de-
10 faced, or falsified. Any such passenger motor ve-
11 hicle or any such part having a mark or vehicle
12 identification number that has been illegally al-
13 tered, defaced, or falsified, and that cannot be
14 identified as having been legally obtained
15 (through bills of sale, invoices, or other owner-
16 ship documentation), shall be contraband and
17 subject to seizure. The Secretary, in consultation
18 with the Attorney General, shall, as part of the
19 rule required by this section, establish procedures
20 for dealing with those parts whose mark or vehi-
21 cle identification number is normally removed
22 during industry accepted remanufacturing or re-
23 building practices, which parts shall be deemed
24 identified for purposes of this section if they bear
25 a conspicuous mark of a type, and applied in

1 *such a manner, as designated by the Secretary*
2 *indicating that they have been rebuilt or re-*
3 *manufactured. With respect to any vehicle part,*
4 *the Secretary's rule, as required by this section,*
5 *shall acknowledge that a mark or vehicle identi-*
6 *fication number on such part may be legally re-*
7 *moved or altered as provided for in section 511*
8 *of title 18, United States Code, and shall direct*
9 *inspectors to adopt such procedures as may be*
10 *necessary to prevent the seizure of a part from*
11 *which the mark or vehicle identification number*
12 *has been legally removed or altered.*

13 *“(8) The Secretary shall establish nation-*
14 *ally uniform safety inspection criteria to be used*
15 *in those States requiring such a safety inspec-*
16 *tion. A State may determine whether to conduct*
17 *such safety inspection itself, contract with a*
18 *third party, or permit self-inspection by a per-*
19 *son licensed by such State in an automotive-re-*
20 *lated business, all subject to criteria promulgated*
21 *by the Secretary hereunder. Any State inspection*
22 *program operating under this paragraph shall be*
23 *subject to continuing review by and approval of*
24 *the Secretary. A State requiring such safety in-*
25 *spection may require the payment of a fee for the*

1 *privilege of such inspection or the processing*
2 *thereof.*

3 “(9) No duplicate or replacement title shall be is-
4 sued unless the word ‘duplicate’ is clearly marked on
5 the face thereof and unless the procedures for such is-
6 suance are substantially consistent with Rec-
7 ommendation three of the Motor Vehicle Titling, Reg-
8 istration and Salvage Advisory Committee.

9 “(10) A State shall employ the following titling
10 and control methods:

11 “(A) If an insurance company is not in-
12 volved in a damage settlement involving a sal-
13 vage vehicle or a nonrepairable vehicle, the pas-
14 senger motor vehicle owner shall apply for a sal-
15 vage title or nonrepairable vehicle certificate,
16 whichever is applicable, before the passenger
17 motor vehicle is repaired or the ownership of the
18 passenger motor vehicle is transferred, but in
19 any event within 30 days after the passenger
20 motor vehicle is damaged.

21 “(B) If an insurance company, pursuant to
22 a damage settlement, acquires ownership of a
23 passenger motor vehicle that has incurred dam-
24 age requiring the vehicle to be titled as a salvage
25 vehicle or nonrepairable vehicle, the insurance

1 *company or salvage facility or other agent on its*
2 *behalf shall apply for a salvage title or non-*
3 *repairable vehicle certificate within 30 days after*
4 *the title is properly assigned by the owner to the*
5 *insurance company and delivered to the insur-*
6 *ance company or salvage facility or other agent*
7 *on its behalf with all liens released.*

8 *“(C) If an insurance company does not as-*
9 *sume ownership of an insured’s or claimant’s*
10 *passenger motor vehicle that has incurred dam-*
11 *age requiring the vehicle to be titled as a salvage*
12 *vehicle or nonrepairable vehicle, the insurance*
13 *company shall notify the owner of the owner’s*
14 *obligation to apply for a salvage title or non-*
15 *repairable vehicle certificate for the passenger*
16 *motor vehicle and notify the State passenger*
17 *motor vehicle titling office that a salvage title or*
18 *nonrepairable vehicle certificate should be issued*
19 *for the vehicle, except to the extent such notifica-*
20 *tion is prohibited by State insurance law.*

21 *“(D) If a leased passenger motor vehicle in-*
22 *currs damage requiring the vehicle to be titled as*
23 *a salvage vehicle or nonrepairable vehicle, the*
24 *lessor shall apply for a salvage title or non-*
25 *repairable vehicle certificate within 21 days after*

1 *being notified by the lessee that the vehicle has*
2 *been so damaged, except when an insurance com-*
3 *pany, pursuant to a damage settlement, acquires*
4 *ownership of the vehicle. The lessee of such vehi-*
5 *cle shall inform the lessor that the leased vehicle*
6 *has been so damaged within 30 days after the oc-*
7 *currence of the damage.*

8 *“(E) Any person acquiring ownership of a*
9 *damaged passenger motor vehicle that meets the*
10 *definition of a salvage or nonrepairable vehicle*
11 *for which a salvage title or nonrepairable vehicle*
12 *certificate has not been issued, shall apply for a*
13 *salvage title or nonrepairable vehicle certificate,*
14 *whichever is applicable. This application shall be*
15 *made before the vehicle is further transferred, but*
16 *in any event, within 30 days after ownership is*
17 *acquired. The requirements of this subparagraph*
18 *shall not apply to any scrap metal processor*
19 *which acquires a passenger motor vehicle for the*
20 *sole purpose of processing it into prepared grades*
21 *of scrap and which so processes such vehicle.*

22 *“(F) State records shall note when a non-*
23 *repairable vehicle certificate is issued. No State*
24 *shall issue a nonrepairable vehicle certificate*
25 *after 2 transfers of ownership.*

1 “(G) When a passenger motor vehicle has
2 been flattened, baled, or shredded, whichever
3 comes first, the title or nonrepairable vehicle cer-
4 tificate for the vehicle shall be surrendered to the
5 State within 30 days. If the second transferee on
6 a nonrepairable vehicle certificate is unequipped
7 to flatten, bale, or shred the vehicle, such trans-
8 feree shall, at the time of final disposal of the ve-
9 hicle, use the services of a professional auto-
10 motive recycler or professional scrap processor
11 who is hereby authorized to flatten, bale, or shred
12 the vehicle and to effect the surrender of the non-
13 repairable vehicle certificate to the State on be-
14 half of such second transferee. State records shall
15 be updated to indicate the destruction of such ve-
16 hicle and no further ownership transactions for
17 the vehicle will be permitted. If different than the
18 State of origin of the title or nonrepairable vehi-
19 cle certificate, the State of surrender shall notify
20 the State of origin of the surrender of the title
21 or nonrepairable vehicle certificate and of the de-
22 struction of such vehicle.

23 “(H) When a salvage title is issued, the
24 State records shall so note. No State shall permit
25 the retitling for registration purposes or issuance

1 *of a rebuilt salvage title for a passenger motor*
2 *vehicle with a salvage title without a certificate*
3 *of inspection, which complies with the security*
4 *and guideline standards established by the Sec-*
5 *retary pursuant to paragraphs (3) and (7), as*
6 *applicable, indicating that the vehicle has passed*
7 *the inspections required by the State. This sub-*
8 *paragraph does not preclude the issuance of a*
9 *new salvage title for a salvage vehicle after a*
10 *transfer of ownership.*

11 “(I) *After a passenger motor vehicle titled*
12 *with a salvage title has passed the inspections re-*
13 *quired by the State, the inspection official will*
14 *affix the secure decal required pursuant to sec-*
15 *tion 33301(4) to the driver’s door jamb of the ve-*
16 *hicle and issue to the owner of the vehicle a cer-*
17 *tificate indicating that the passenger motor vehi-*
18 *cle has passed the inspections required by the*
19 *State. The decal shall comply with the perma-*
20 *nency requirements established by the Secretary.*

21 “(J) *The owner of a passenger motor vehicle*
22 *titled with a salvage title may obtain a rebuilt*
23 *salvage title or vehicle registration, or both, by*
24 *presenting to the State the salvage title, properly*
25 *assigned, if applicable, along with the certificate*

1 *that the vehicle has passed the inspections re-*
2 *quired by the State. With such proper docu-*
3 *mentation and upon request, a rebuilt salvage*
4 *title or registration, or both, shall be issued to*
5 *the owner. When a rebuilt salvage title is issued,*
6 *the State records shall so note.*

7 “(11) *A seller of a passenger motor vehicle that*
8 *becomes a salvage vehicle due to damage by flood*
9 *shall, at or prior to the time of transfer of ownership,*
10 *give the buyer a written notice that the vehicle has*
11 *been damaged by flood. At the time of the next title*
12 *application for the vehicle, disclosure of the flood sta-*
13 *tus shall be provided to the applicable State with the*
14 *properly assigned title and the word ‘Flood’ shall be*
15 *conspicuously labeled across the front of the new title.*

16 “(12) *In the case of a leased passenger motor ve-*
17 *hicle, the lessee, within 15 days of the occurrence of*
18 *the event that caused the vehicle to become a salvage*
19 *vehicle due to damage by flood, shall give the lessor*
20 *written disclosure that the vehicle is a salvage vehicle*
21 *due to damage by flood.*

22 “(c) *SALVAGE TITLE.—Ownership of a passenger*
23 *motor vehicle may be transferred on a salvage title, however,*
24 *a passenger motor vehicle for which a salvage title has been*

1 *issued shall not be registered for use on the roads or high-*
2 *ways unless it has been issued a rebuilt salvage title.*

3 “(d) *REBUILT SALVAGE TITLE.*—Ownership of a pas-
4 *senger motor vehicle may be transferred on a rebuilt salvage*
5 *title, and a passenger motor vehicle for which a rebuilt sal-*
6 *vage title has been issued may be registered for use on the*
7 *roads and highways.*

8 “(e) *NONREPAIRABLE VEHICLE CERTIFICATE.*—Own-
9 *ership of a passenger motor vehicle may only be transferred*
10 *2 times on a nonrepairable vehicle certificate. A passenger*
11 *motor vehicle for which a nonrepairable vehicle certificate*
12 *has been issued can never be titled or registered for use on*
13 *roads or highways.*

14 **“§ 33303. Disclosure and label requirements on trans-**
15 ***fer of rebuilt salvage vehicles***

16 “(a) *WRITTEN DISCLOSURE REQUIREMENTS.*—

17 “(1) *GENERAL RULE.*—Under regulations pre-
18 *scribed by the Secretary of Transportation, a person*
19 *transferring ownership of a rebuilt salvage vehicle*
20 *shall give the transferee a written disclosure that the*
21 *vehicle is a rebuilt salvage vehicle.*

22 “(2) *FALSE STATEMENT.*—A person making a
23 *written disclosure required by a regulation prescribed*
24 *under paragraph (1) of this subsection may not make*
25 *a false statement in the disclosure.*

1 “(3) *COMPLETENESS.*—A person acquiring a re-
2 *built salvage vehicle for resale may accept a disclosure*
3 *under subsection (a) only if it is complete.*

4 “(4) *REGULATIONS.*—The regulations prescribed
5 *by the Secretary shall provide the way in which in-*
6 *formation is disclosed and retained under subsection*
7 *(a).*

8 “(b) *LABEL REQUIREMENTS.*—

9 “(1) *IN GENERAL.*—The Secretary shall by regu-
10 *lation require that a label be affixed to the windshield*
11 *or window of a rebuilt salvage vehicle before its first*
12 *sale at retail containing such information regarding*
13 *that vehicle as the Secretary may require. The label*
14 *shall be affixed by the individual who conducts the*
15 *applicable State antitheft inspection.*

16 “(2) *REMOVAL, ALTERATION, OR ILLEGIBILITY*
17 *OF REQUIRED LABEL.*—No person shall willfully re-
18 *move, alter, or render illegible any label required by*
19 *paragraph (1) affixed to a rebuilt salvage vehicle be-*
20 *fore the vehicle is delivered to the actual custody and*
21 *possession of the first retail purchaser.*

22 **“§ 33304. Report on funding**

23 *“The Secretary shall, contemporaneously with the issu-*
24 *ance of a final rule pursuant to section 33302(b), report*
25 *to appropriate committees of Congress whether the costs to*

1 *the States of compliance with such rule can be met by user*
2 *fees for issuance of titles, issuance of registrations, issuance*
3 *of duplicate titles, inspection of rebuilt vehicles, or for the*
4 *State services, or by earmarking any moneys collected*
5 *through law enforcement action to enforce requirements es-*
6 *tablished by such rule.*

7 ***“§ 33305. Petitions for extensions of time***

8 *“The Secretary may grant a State, for good cause*
9 *shown, an extension of time to comply with the require-*
10 *ments established in section 33302(a). No such extension*
11 *shall remain in effect on or after the compliance date estab-*
12 *lished pursuant to section 33302(b).*

13 ***“§ 33306. Effect on State law***

14 *“(a) IN GENERAL.—Effective on the date the rule pro-*
15 *mulgated pursuant to section 33302 becomes effective, the*
16 *provisions of this chapter shall preempt all State laws, to*
17 *the extent they are inconsistent with the provisions of this*
18 *chapter or the rule promulgated pursuant to section 33302,*
19 *which—*

20 *“(1) set forth the form of the passenger motor ve-*
21 *hicle title;*

22 *“(2) define, in connection with a passenger*
23 *motor vehicle (but not in connection with a passenger*
24 *motor vehicle part or part assembly separate from a*
25 *passenger motor vehicle), any term defined in section*

1 33301 or the terms ‘salvage’, ‘junk’, ‘reconstructed’,
2 ‘nonrepairable’, ‘unrebuildable’, ‘scrap’, ‘parts only’,
3 ‘rebuilt’, ‘flood’, or any other symbol or word of like
4 kind, or apply any of those terms to any passenger
5 motor vehicle (but not to a passenger motor vehicle
6 part or part assembly separate from a passenger
7 motor vehicle); or

8 “(3) set forth titling, recordkeeping, anti-theft in-
9 spection, or control procedures in connection with any
10 salvage vehicle, rebuilt salvage vehicle, or nonrepair-
11 able vehicle.

12 The requirements described in paragraph (3) shall not be
13 construed to affect any State consumer law actions that
14 may be available to residents of the State for violations of
15 this chapter.

16 “(b) CONSTRUCTION.—Additional disclosures of a pas-
17 senger motor vehicle’s title status or history, in addition
18 to the terms defined in section 33301, shall not be deemed
19 inconsistent with the provisions of this chapter. Such disclo-
20 sures shall include disclosures made on a certificate of title.
21 When used in connection with a passenger motor vehicle
22 (but not in connection with a passenger motor vehicle part
23 or part assembly separate from a passenger motor vehicle),
24 any definition of a term defined in section 33301 which
25 is different than the definition in that section or any use

1 of any term listed in subsection (a), but not defined in sec-
2 tion 33301, shall be deemed inconsistent with the provisions
3 of this chapter. Nothing in this chapter shall preclude a
4 State from disclosing on a rebuilt salvage title that a rebuilt
5 salvage vehicle has passed a State safety inspection which
6 differed from the nationally uniform criteria to be promul-
7 gated pursuant to section 33302(b)(7).

8 **“§ 33307. Civil and criminal penalties**

9 “(a) PROHIBITED ACTS.—It shall be unlawful for any
10 person knowingly and willfully to—

11 “(1) make or cause to be made any false state-
12 ment on an application for a title (or duplicate title)
13 for a passenger motor vehicle or any disclosure made
14 pursuant to section 33303;

15 “(2) fail to apply for a salvage title when such
16 an application is required;

17 “(3) alter, forge, or counterfeit a certificate of
18 title (or an assignment thereof), a nonrepairable vehi-
19 cle certificate, a certificate verifying an anti-theft in-
20 spection or an anti-theft and safety inspection, a
21 decal affixed to a passenger motor vehicle pursuant to
22 section 33302(b)(9)(I), or any disclosure made pursu-
23 ant to section 33303;

1 “(4) falsify the results of, or provide false infor-
2 mation in the course of, an inspection conducted pur-
3 suant to section 33302(b)(7);

4 “(5) offer to sell any salvage vehicle or non-
5 repairable vehicle as a rebuilt salvage vehicle;

6 “(6) fail to make any disclosure required by sec-
7 tion 33303, except when the person lacks actual
8 knowledge of the status of the rebuilt salvage vehicle;

9 “(7) violate a regulation prescribed under this
10 chapter; or

11 “(8) conspire to commit any of the acts enumer-
12 ated in paragraphs (1), (2), (3), (4), (5), (6), or (7).

13 “(b) *CIVIL PENALTY.*—Any person who commits an
14 unlawful act as provided in subsection (a) of this section
15 shall be fined a civil penalty of up to \$2,000 per offense.
16 A separate violation occurs for each passenger motor vehicle
17 involved in the violation.

18 “(c) *CRIMINAL PENALTY.*—Any person who commits
19 an unlawful act as provided in subsection (a) of this section
20 shall be fined up to \$50,000 or sentenced to up to 3 years
21 imprisonment or both, per offense.

22 **“§ 33308. Actions by States**

23 “(a) *IN GENERAL.*—Whenever an attorney general of
24 any State has reason to believe that the interests of the resi-
25 dents of that State have been or are being threatened or

1 *adversely affected because any person has violated or is vio-*
2 *lating section 33302 or 33303, the State, as parens patriae,*
3 *may bring a civil action on behalf of its residents in an*
4 *appropriate district court of the United States or the appro-*
5 *priate State court to enjoin such violation or to enforce the*
6 *civil penalties under section 33307 or may enforce the*
7 *criminal penalties under section 33307.*

8 “(b) NOTICE.—*The State shall serve prior written no-*
9 *tice of any civil or criminal action under subsection (a)*
10 *or (e)(2) upon the Attorney General and provide the Attor-*
11 *ney General with a copy of its complaint, except that if*
12 *it is not feasible for the State to provide such prior notice,*
13 *the State shall serve such notice immediately upon institut-*
14 *ing such action. Upon receiving a notice respecting a civil*
15 *or criminal action, the Attorney General shall have the*
16 *right—*

17 “(1) *to intervene in such action;*

18 “(2) *upon so intervening, to be heard on all mat-*
19 *ters arising therein; and*

20 “(3) *to file petitions for appeal.*

21 “(c) CONSTRUCTION.—*For purposes of bringing any*
22 *civil or criminal action under subsection (a), nothing in*
23 *this Act shall prevent an attorney general from exercising*
24 *the powers conferred on the attorney general by the laws*
25 *of such State to conduct investigations or to administer*

1 oaths or affirmations or to compel the attendance of wit-
2 nesses or the production of documentary and other evidence.

3 “(d) *VENUE; SERVICE OF PROCESS.*—Any civil or
4 criminal action brought under subsection (a) in a district
5 court of the United States may be brought in the district
6 in which the defendant is found, is an inhabitant, or trans-
7 acts business or wherever venue is proper under section
8 1391 of title 28, United States Code. Process in such an
9 action may be served in any district in which the defendant
10 is an inhabitant or in which the defendant may be found.

11 “(e) *ACTIONS BY STATE OFFICIALS.*—

12 “(1) Nothing contained in this section shall pro-
13 hibit an attorney general of a State or other author-
14 ized State official from proceeding in State court on
15 the basis of an alleged violation of any civil or crimi-
16 nal statute of such State.

17 “(2) In addition to actions brought by an attor-
18 ney general of a State under subsection (a), such an
19 action may be brought by officers of such State who
20 are authorized by the State to bring actions in such
21 State on behalf of its residents.”.